

**2011 DRAFTING REQUEST**

**Bill**

Received: **12/16/2010**

Received By: **chanaman**

Wanted: **As time permits**

Companion to LRB:

For: **Fred Clark (608) 266-7746**

By/Representing:

May Contact:

Drafter: **chanaman**

Subject: **State Gov't - procurement  
Local Gov't - munis generally  
Local Gov't - counties**

Addl. Drafters: **mshovers**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Clark@legis.wisconsin.gov**

Carbon copy (CC:) to:

---

**Pre Topic:**

No specific pre topic given

---

**Topic:**

State and local procurement percentages required to be from Wisconsin

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**Instructions:**

See attached--2009 AB-1

---

**Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	chanaman 12/20/2010	kfollett 12/22/2010		_____			S&L
/1	chanaman 01/04/2011	kfollett 01/04/2011	mduchek 01/03/2011	_____	sbasford 01/03/2011		S&L
/2			jfrantze 01/04/2011	_____	mbarman 01/04/2011	sbasford 01/18/2011	

FE Sent For:

at  
intro

<END>

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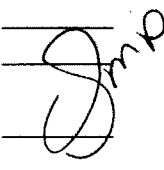
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/?	chanaman 12/20/2010	kfollett 12/22/2010					S&L
/1		12/15/11 1/4	mduchek 01/03/2011		sbasford 01/03/2011		

FE Sent For:

<END>

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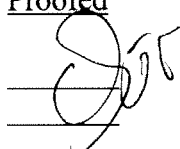
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1?	chanaman	11/5/12 12/22	26 1/4				

FE Sent For:

<END>

12/20 -0743/1  
In

## 2009 ASSEMBLY BILL 1

PUF

January 16, 2009 – Introduced by Representatives CLARK, MOLEPSKE, BERNARD SCHABER, BENEDICT, BERCEAU, BLACK, DANOU, HIXSON, MASON, NELSON, PARISI, PASCH, POPE-ROBERTS, RADCLIFFE, RICHARDS, ROYS, SEIDEL, SHERIDAN, SHILLING, SINICKI, SMITH, VAN AKKEREN, A. WILLIAMS, ZIGMUNT, JORGENSEN and BARCA, cosponsored by Senators PEALE and ERPENBACH. Referred to Committee on Jobs, the Economy and Small Business.

refer cat

1 AN ACT *to repeal* 16.75 (1) (a) 2.; *to renumber* 16.754 (1) (a); *to renumber and*  
 2 *amend* 16.754 (2); *to amend* 16.72 (2) (c), 16.754 (title), 16.754 (2) (title) and  
 3 16.754 (3) (intro.); and *to create* 16.754 (1) (am), 16.754 (2) (a) and 66.0145 of  
 4 the statutes; **relating to:** state procurement of products and services from  
 5 businesses located in this state and setting a goal for local government to  
 6 purchase a certain percentage of products and services from businesses located  
 7 in this state.

### ***Analysis by the Legislative Reference Bureau***

Current law generally authorizes the Department of Administration (DOA) to purchase, or delegate the authority to purchase, all necessary materials and contractual services for all state agencies. With some exceptions, orders or contracts must be awarded to the lowest bidder. One exception requires DOA to give a preference to Wisconsin producers, distributors, suppliers, and retailers over any out-of-state vendor that is domiciled in a jurisdiction that grants a preference to vendors domiciled in that jurisdiction. This bill ~~deletes that exception and, instead,~~ requires DOA and any agency making purchases to attempt to ensure that at least 2 percent of the total amount expended for such procurement in each fiscal year is from Wisconsin-based businesses. ~~However,~~ in any fiscal year, the percentage of the total amount expended from Wisconsin-based businesses ~~may~~ not be lower than it was in the previous fiscal year.

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**ASSEMBLY BILL 1**

This bill also sets a goal that at least 2 percent of the aggregate value of the annual purchases of products and services by a local governmental unit (which includes cities, villages, towns, counties, and special purpose districts, which include schools and technical college districts) will be from Wisconsin-based businesses. A further goal is that, in any year, the percentage of the aggregate value of purchases of products and services from Wisconsin-based businesses will not be lower than it was in the previous year.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

✓  
1        **SECTION 1.** 16.72 (2) (c) of the statutes is amended to read:

2        16.72 (2) (c) To the extent possible, the department shall write specifications  
3        so as to permit the purchase of materials manufactured in the United States, as  
4        defined in s. 16.754 (1) (b), or the purchase of local products or services, as defined  
5        in s. ~~16.754 (1) (am)~~ 66.0145 (1) (b)

6        **SECTION 2.** 16.75 (1) (a) 2. of the statutes is repealed.

7        **SECTION 3.** 16.754 (title) of the statutes is amended to read:

8        **16.754** (title) **Preference for local products and services and**  
9        **American-made materials.**

10       **SECTION 4.** 16.754 (1) (a) of the statutes is renumbered 16.754 (1) (ar).

11       **SECTION 5.** 16.754 (1) (am) of the statutes is created to read:

12       16.754 (1) (am) "Local product or service" has the meaning given in s. 66.0145  
13       (1) (b).

14       **SECTION 6.** 16.754 (2) (title) of the statutes is amended to read:

15       16.754 (2) (title) ~~PURCHASE PREFERENCE~~ PREFERENCES.

16       **SECTION 7.** 16.754 (2) of the statutes is renumbered 16.754 (2) (b) and amended  
17       to read:

Read  
fly  
comment



## ASSEMBLY BILL 1

1 16.754 (2) (b) Notwithstanding s. 16.75 (1) ~~(a) 2.~~, (2), (2m) and (6), when all  
2 other factors are substantially equal the state shall purchase materials which are  
3 manufactured to the greatest extent in the United States.

4 SECTION 8. 16.754 (2) (a) of the statutes is created to read:

5 16.754 (2) (a) The department, any other designated purchasing agent under  
6 s. 16.71 (1), and any agency making purchases under s. 16.74 shall attempt to ensure  
7 that at least 2 percent of the total amount expended under this subchapter in each  
8 fiscal year is for local products or services ~~except~~ *and it shall be a further goal that* the percentage of the total amount  
9 expended in any fiscal year for local products or services ~~may not~~ *will* be lower than the  
10 percentage of the total amount expended in the previous fiscal year for local products  
11 or services.

12 SECTION 9. 16.754 (3) (intro.) of the statutes is amended to read:

13 16.754 (3) EXEMPTIONS. (intro.) Subsection (2) (b) does not apply if the  
14 materials are purchased for the purpose of commercial resale or for the purpose of  
15 use in the production of goods for commercial sale. Subsection (2) (b) does not apply  
16 to the purchase of stationery and printing materials. Subsection (2) (b) does not  
17 apply if the department determines ~~under s. 16.75 (1) (a) 2.~~ *plan no strike* that the foreign nation  
18 or subdivision thereof in which the vendor is domiciled does not give preference to  
19 vendors domiciled in that nation or subdivision in making governmental purchases.  
20 Subsection (2) (b) does not apply if the department or other person having  
21 contracting authority in respect to the purchase determines that:

22 SECTION 10. 66.0145 of the statutes is created to read:

23 **66.0145 Purchases of Wisconsin goods and services. (1) DEFINITIONS.** In  
24 this section:

25 (a) "Local governmental unit" has the meaning given in s. 66.0135 (1) (c).

## ASSEMBLY BILL 1

## SECTION 10

1 (b) "Local product or service" means a product or service that is purchased from  
2 a person whose principal place of business is located in this state.

3 (2) PURCHASING GOALS. It shall be a goal of a local governmental unit that,  
4 annually, at least 2 percent of the aggregate value of purchases of products and  
5 services by that local governmental unit shall be local products or services, and it  
6 shall be a further goal of the local governmental unit that the percentage of the  
7 aggregate value of purchases of products and services in any year that are local  
8 products and services will not be lower than the aggregate value in the previous year.

9 **SECTION 11. Initial applicability.**

change component to 11  
10 (1) This act first applies to purchases made in the fiscal year that begins in the  
11 year after this subsection takes effect.

12

(END)

INS

4-12

**ASSEMBLY AMENDMENT 2,  
TO 2009 ASSEMBLY BILL 1**

January 21, 2009 – Offered by COMMITTEE ON JOBS, THE ECONOMY AND SMALL BUSINESS.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 2, line 5: delete "16.754 (1) (am)" and substitute "66.0145 (1) (b)".

3 **2.** Page 2, line 6: delete that line.

4 **3.** Page 2, line 16: delete the material beginning with "(b) and amended" and  
5 ending with "read:" on line 17 and substitute "(b).".

6 **4.** Page 3, line 1: delete lines 1 to 3.

7 **5.** Page 3, line 8: delete "except" and substitute "and it shall be a further goal  
8 that".

9 **6.** Page 3, line 9: delete "may" and substitute "will".

10 **7.** Page 3, line 11: after that line insert:

11 "SECTION 8m. 16.754 (2m) of the statutes is created to read:

INS  
3-12

✱

✓

1 16.754 (2m) DATA. (a) For purposes of measuring compliance with sub. (2) (a),  
2 the department shall collect from a person who responds to a proposal or submits a  
3 bid for a contract information regarding the person's principal place of business.

4 (b) The department shall prepare, and, no later than May 2010, submit to the  
5 chief clerk of each house of the legislature for distribution to the legislature under  
6 s. 13.172 (2), a plan on how the department ~~shall~~ <sup>will</sup> compile and use the data collected  
7 under par. (a).  
8

8 **8.** Page 3, line 17: delete "~~under s. 16.75 (1) (a) 2.,~~" and substitute ", under  
9 s. 16.75 (1) (a) 2.,".

10 **9.** Page 4, line 10: delete "This act first applies" and substitute "The treatment  
11 of section 66.0145 of the statutes and the creation of section 16.754 (2) (a) of the  
12 statutes first apply".  
13

13 **10.** Page 4, line 11: after that line insert:

14 ~~(2m)~~ The treatment of section 16.754 (2m) (a) of the statutes first applies to  
15 responses made and bids submitted in the fiscal year that begins in the year after  
16 this subsection takes effect".  
17

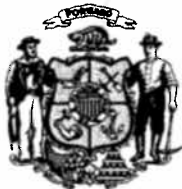
(END)

**2011-2012 DRAFTING INSERT  
FROM THE  
LEGISLATIVE REFERENCE BUREAU**

LRB-0743/lins  
CMH:.....

1           Insert A (no paragraph)

*no P*       To measure compliance with this exception, this bill requires DOA to collect data from a person who bids for a contract regarding the person's principal place of business. DOA must submit to the legislature a plan on how DOA will compile and use the data it collected.



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-0743/1  
MES&CMH:kjf:md

TODAY  
PLEASE

2011 BILL

negotiate

1 AN ACT *to renumber* 16.754 (1) (a) and 16.754 (2); *to amend* 16.72 (2) (c), 16.754  
2 (title), 16.754 (2) (title) and 16.754 (3) (intro.); and *to create* 16.754 (1) (am),  
3 16.754 (2) (a), 16.754 (2m) and 66.0145 of the statutes; **relating to:** state  
4 procurement of products and services from businesses located in this state and  
5 setting a goal for local government to purchase a certain percentage of products  
6 and services from businesses located in this state.

***Analysis by the Legislative Reference Bureau***

X Current law generally authorizes the Department of Administration (DOA) to purchase, or delegate the authority to purchase, all necessary materials and contractual services for all state agencies. With some exceptions, orders or contracts must be awarded to the lowest bidder. This bill creates an exception to require DOA and any agency making purchases to attempt to ensure that at least 2 percent of the total amount expended for such procurement in each fiscal year is from Wisconsin-based businesses and that, in any fiscal year, the percentage of the total amount expended from Wisconsin-based businesses will not be lower than it was in the previous fiscal year. To measure compliance with this exception, this bill requires DOA to collect data from a person who bids for a contract regarding the person's principal place of business. DOA must submit to the legislature a plan on how DOA will compile and use the data it collected. 20

X This bill also sets a goal that at least 2 percent of the aggregate value of the annual purchases of products and services by a local governmental unit (which

**BILL**

includes cities, villages, towns, counties, and special purpose districts, which include schools and technical college districts) will be from Wisconsin-based businesses. A further goal is that, in any year, the percentage of the aggregate value of purchases of products and services from Wisconsin-based businesses will not be lower than it was in the previous year.

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**16.754 (title) Preference for local products and services and American-made materials.**

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**BILL**

1 that at least <sup>20</sup>2 percent of the total amount expended under this subchapter in each  
2 fiscal year is for local products or services and it shall be a further goal that the  
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**BILL****SECTION 10**

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5 a person whose principal place of business is located in this state.

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7 annually, at least <sup>20</sup>2 percent of the aggregate value of purchases of products and  
8 services by that local governmental unit shall be local products or services, and it  
9 shall be a further goal of the local governmental unit that the percentage of the  
10 aggregate value of <sup>routine</sup>purchases of products and services in any year that are local  
11 products and services will not be lower than the aggregate value <sup>of such routine purchases</sup> in the previous year.

12           **SECTION 11. Initial applicability.**

13           (1) The treatment of section 66.0145 of the statutes and the creation of section  
14 16.754 (2) (a) of the statutes first apply to purchases made in the fiscal year that  
15 begins in the year after this subsection takes effect.

16           (2) The treatment of section 16.754 (2m) (a) of the statutes first applies to  
17 responses made and bids submitted in the fiscal year that begins in the year after  
18 this subsection takes effect.

19           **(END)**

**Basford, Sarah**

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**From:** Stafford, Beau  
**Sent:** Tuesday, January 18, 2011 1:36 PM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 11-0743/2 Topic: State and local procurement percentages required to be from Wisconsin

Please Jacket LRB 11-0743/2 for the ASSEMBLY.